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Briefing file  
17 Sept 1977

THE NEW CHINESE LEADERSHIP

- I. The new Chinese leadership, chosen at the party congress in August, is a relatively cohesive group that lacks the deep personal and ideological cleavages that have characterized China's leading groups in the last decade.
  - A. The shared experience of many of the leaders, who fought together in the civil war, and their common desire to promote steady economic growth may result, in the short term at least, in a greater degree of stability than the Chinese have known in over ten years.
  - B. Over the longer term, however, latent forces of instability are likely to have considerable impact and could pull the leadership in a variety of directions.
- II. The Chinese must fill the authority vacuum created by the destruction of the party in the mid-1960's, the rapid turnabout in the political fortunes of its leaders (such as the twice purged and twice returned Teng (DUNG) and the deaths of prestigious figures like Mao and Chou (JOE)).

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A. In order to restore the party to its previous status as the source of authority, there has been a major effort to build up the image of newly-confirmed party chairman Hua Kuo-feng (HWA GWO-FUNG).

1. Hua has failed to capture the imagination of the Chinese people, however, and must share power with older leaders who enjoy wider popularity and greater standing among the party rank and file.

III. In this regard the rehabilitation of Teng has been a problem for Hua. (HWA)

A. Teng has already stolen much of the limelight and exercises a major influence over personnel and policy decisions.

B. Policy differences between the two men are slight and are more a matter of degree than actually difference.

1. Teng may put somewhat more emphasis on industry than agriculture and seems more willing than the normally cautious Hua to push the campaign against followers of the leftists.
2. The real problem is that Hua will have difficulty establishing himself as number one on a long-term basis.
  - a. When the 79-year-old Defense Minister Yeh (YEH), who is playing an important role as the guarantor of Hua's power, leaves the scene, a potentially divisive scramble for the party chairmanship could take

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b. If Hua has not impressed the party rank and file with his leadership ability by this time--a distinct possibility--others in the leadership may feel that they are more qualified than he to run the party.

IV. Hua was Mao's personal choice as his successor. But this is a mixed blessing because today's leaders are somewhat embarrassed by much of the Mao legacy.

A. They would like to preserve those portions that foster rational political behavior and sound economic policy and discard those ideas that lead to such disruptive events as the Cultural Revolution.

B. The Mao legacy will be a continuing problem, and because the leadership is drawing only selectively on the late chairman for legitimacy, it is vulnerable to later charges of distorting or ignoring his thinking.

V. The domination of the party's higher councils by veteran officials, although it conveys an important message that earlier attacks on them were unwarranted, could create some resentment.

A. The party congress gave scarcely a nod to the need to groom younger officials for positions of responsibility. This need will become more pressing given the advanced age of many top officials.

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VI. The leadership seems united in recognizing the magnitude of China's economic problems and is determined to tackle them via an ambitious program aimed at making China a major industrial nation by the end of the century.

- A. The success of this program will depend largely on ensuring a greater degree of political stability than has thus far been the case.
- B. The leadership's calls for order and stability will be effective only if lower level officials sense genuine unity in Peking.
  - 1. It is especially hard to maintain an image of unity during discussions over the allocation of resources, and issue the Chinese admit results in dogfights.
  - 2. This year's debate over military spending, for example, is likely to be repeated whenever a new budget is being drawn up.

VII. In fact, the potential for civilian/military conflict extends beyond the defense spending issue into the general role of military men in politics.

- A. Since an alleged attempt at a military takeover in 1971 by Mao's chosen heir, Defense Minister Lin Piao, civilians have been wary of military participation in politics and have steadily reduced that participation.

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- B. The military stepped into civilian political jobs at all levels to restore order after the Cultural Revolution of the mid-1960's.
- C. Some military men, having had their first taste of political power, have been less willing than others to relinquish it.
  - 1. Two of the most important among these are Politburo members Chen Hsi-lien (CHEN SEE LEEYEN) and Li Te-sheng (LEE DEH SHUNG).
- D. The Chinese military traditionally has been more involved in politics than has the Soviet military. Defining and limiting its future role could be a major source of friction.

VIII. In its efforts to undo the impractical and unworkable policies of the Cultural Revolution, the leadership is running the risk of regenerating the same kinds of pressures and dissatisfaction at the lower levels that enabled Mao to launch the Cultural Revolution in the first place.

- A. The leadership is returning to a highly-structured system in which promotions are based on merit, admission to universities is based on academic achievement rather than political reliability, and party membership--the main road to advancement--is more selective.
  - 1. This system will inevitably create an elite, privileged group and will lessen opportunities for upward mobility.
  - 2. As impractical as the policies of the now-discredited leftists were, they had vast appeal precisely because they promised opportunities for those who had previously had none.

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3. The communist party, with its 35 million members, still has a sizeable contingent of leftists who, with a new spokesman, could become an important force in the party again in the future.

IX. In the realm of foreign policy, we do not foresee any sharp departures.

A. One option open to the new leadership is a relaxation of tensions with Moscow designed to give Peking more room for maneuver within the Moscow-Washington-Peking triangle and more leverage in dealing with the US.

1. In point of fact, the new leadership continues to reject this option and has rebuffed a number of overtures from Moscow since the death of Mao.
2. We are continuing to look closely for any signs of change in this very important policy area. But right now, the prospect seems to be for an indefinite continuation of the policy of near total political and ideological confrontation with the USSR and a continuation of China's opening to the US with Peking attempting to use, as far as possible, Washington's international influence and military potential as a counterweight to the USSR globally.
3. As a matter of fact, Moscow itself now claims to see little lessening of anti-Soviet feeling in the present Chinese leadership and takes the view that there is little or no hope of significant improvement in Sino-Soviet relations until it is replaced.

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4. Peking and Moscow recently resolved some issues concerning navigation on border rivers between the two countries and the Chinese have sent a new ambassador to Moscow after the post had been vacant for more than a year. The moves, however, do not indicate any general improvement in relations between the two countries, which remain extremely strained over important political and ideological issues.

B. Because this is a more unified leadership group, foreign policy issues are less likely to be used as political weapons in factional infighting.

1. A year ago, at a time when the now purged senior leftists were still riding high in Peking, a relatively hard line on Taiwan--one that emphasized the use of force to take the island--emerged temporarily.

2. It could be that this sabre rattling reflected a sincere effort by leftists to adopt a more aggressive position vis-a-vis the US on Taiwan. It also could have been a reflection of the very intense struggle for power that was then underway within the leadership.

C. Whatever the case, the new leadership should find it easier to stick to a more patient and less threatening line on the Taiwan issue.

1. Peking, however, continues to make a sharp distinction between patience regarding the eventual regaining of Taiwan and its contention that the US is obligated to

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Meeting Peking's three basic

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conditions for normalization of relations.

2. While Chinese officials continue to state their preference for a peaceful resolution of the Taiwan issue, they are careful not to rule out the possibility that force eventually might be needed to "liberate" the island.
- D. With Teng Hsiao-ping in the saddle, we are beginning to see a change in style if not in the substance of China's foreign policy.
  1. His recent comments to the visiting Associated Press delegation on his conversations with Secretary Vance are a good example.
  2. He is not the discreet diplomat that Chou En-Lai was, he has a well-deserved reputation for bluntness, and we can expect him to talk strongly or even provocatively whenever he thinks it suits China's purpose.
- X. On balance, we believe that the new Chinese leadership is likely to view its recent exchange with the US through Secretary Vance in the following terms:
  - A. While highly agitated at US hesitation to come to grips with the Taiwan problem, which Peking asserts is the only real obstacle to normalization, the Chinese do not believe recent developments have undercut the fundamental advantages they derive from the connection with the US.

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- B. Determined to make clear publicly Peking's position on the Taiwan issue, probably in hopes of generating pressure in the US for more rapid movement toward normalization.
- C. Still interested in improving trade with the US and gaining better access to high-technology US products, but insistent that no significant progress can be made until after normalization.
- D. Still concerned about the US's willingness to deal forcefully with the USSR, especially with Soviet "expansionism" abroad.

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